



State of Michigan
Rick Snyder, Governor

Department of Licensing and Regulatory Affairs
Steven Arwood, Director

**Workers' Compensation Agency
Compensation Supplement Fund**
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March 12, 2013

The Honorable Rick Snyder
Governor of the State of Michigan

Senator Randy Richardville
Senate Majority Leader

Senator Gretchen Whitmer
Senate Minority Leader

Representative Jase Bolger
Speaker of the House

Representative Tim Greimel
House Minority Leader

This report is being submitted in compliance with Section 391(6) of the Workers' Disability Compensation Act, Act 317 of the Public Acts of 1969, as amended. From January 1, 2012 through December 31, 2012, the Compensation Supplement Fund processed the following amounts in payments and credits:

Payments	\$ 363,444.43
Michigan Business Tax Credits	<u>\$ 2,433,036.22</u>
	\$ 2,796,480.65

The Compensation Supplement Fund was created in 1981 to pay weekly workers' compensation cost of living increases from the state general fund to injured workers whose injury dates occurred between September 1, 1965 and December 31, 1979. The inflation factor percentage is based on the date of injury, and is greater for those workers injured in 1965 than in 1979 (Section 352 of the Workers' Disability Compensation Act, Act 317 of the Public Acts of 1969, as amended).

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Insurers and self-insurers pay the increased benefits and submit quarterly reimbursement requests to our agency. Reimbursement is provided in the form of a pay warrant or a Michigan Business Tax (MBT) credit. Pay warrants are commonly issued to companies with no tax liability within the state of Michigan such as governmental units. All other insurers and self-insurers receive MBT credits which are periodically verified by the Michigan Department of Treasury for proper credit.

Sincerely,

Kevin Elsenheimer, Director
Workers' Compensation Agency

Attachment

cc: Steve Arwood
Mike Zimmer